

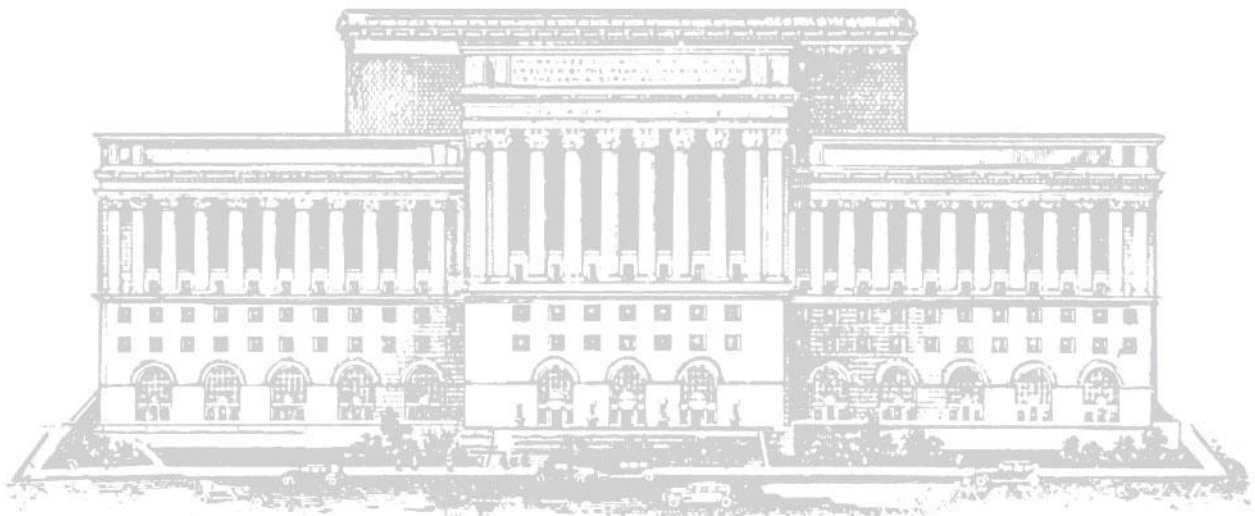


2011 STATE OF THE COUNTY ADDRESS

**LEE HOLLOWAY
MILWAUKEE COUNTY EXECUTIVE**

JANUARY 26, 2011

MENTAL HEALTH COMPLEX



2011 State of the County address
County Executive Lee Holloway
January 26, 2011

Ladies, Gentlemen, County Supervisors, Elected Officials and Distinguished Guests, it is my honor to present the 2011 State of the County address.

I'd like to begin by thanking the wonderful staff of the Mental Health Complex and St. Charles. Hosting an event like this takes a lot of work. I appreciate all the effort you have put in to making this event a success.

At this time, I am pleased to report to you that the state of Milwaukee County is sound. Our airport is more popular than ever, we have made major decisions that will improve our long-term fiscal health, and we have a plan to revamp mental health care.

There's no doubt that a new chapter in County government is before us. We have a historic opportunity to reinvent Milwaukee County by:

- Reducing the tax levy
- Becoming more self-sufficient, with less dependency on shared revenue
- and Fostering business growth and regional cooperation

I am optimistic that we can achieve our goals in 2011. The path to success for Milwaukee County includes five key steps:

- Creating jobs
- Tackling our structural deficit
- Reducing duplication in government
- Reshaping the way transit and parks are funded
- and Developing a new mental health care model

We will use a variety of strategies to carry out this vision. I'd like to briefly touch on each of these areas:

Increasing employment is my biggest job as County Executive. One of the largest drivers of jobs is General Mitchell International Airport. We have non-stop flights to 56 cities, and we're continuing to grow. In 2010, nearly ten million people traveled through our airport. That's 24 percent higher than 2009. In fact, in the 2nd quarter, we were the fastest growing airport in the U.S. and the third-fastest growing in the world. It's clear that airlines see Milwaukee County as a prime spot to do business.

Frontier and AirTran have established vibrant hubs here, and Southwest has made a successful entrance as well. I'd like to thank Board Chairman Michael Mayo for his leadership at the airport, along with Barry Bateman.

Another jobs-creation idea that I'm working on has to do with items that are purchased by Milwaukee County. We spend \$60 million each year on goods and services. I am proposing that we set-aside \$15 million of this purchasing power for Small Businesses in Milwaukee County to create jobs and keep the dollars in our community. We are focusing on small businesses with less than 50 employees.

We all know that small businesses are the engine of job creation.

We heard in the campaign for Governor that "people create jobs, not government." But let's not forget that government can play a key role in helping small businesses thrive. That's why I have offered to help the Milwaukee Transitional Jobs Collaborative to provide subsidies to local employers to get people working. This is similar to the federal CETA (Comprehensive Employment and Training Act) program, which was extremely successful in the 1960s and 70s. We must encourage businesses to utilize this transitional jobs program.

Another area that needs attention is the Park East land owned by Milwaukee County. That's why I support the MSOE (Milwaukee School of Engineering) project. This is an opportunity to create family-supporting jobs and provide needed parking downtown.

The sale of Park East land can also make federal dollars available for transit needs. I am working to make these funds available to connect workers with jobs in Ozaukee, Waukesha and Racine counties.

Another major priority is securing the County's financial future and tackling the structural deficit.

We have already made major progress. In the last twenty years, the County workforce has shrunk from more than 9,000 employees to just over 5,000. We have also adopted a number of reforms to reduce the pension and health care burden on our taxpayers.

Despite what you may see or hear in the media, we have been making full payments to our pension fund. The most recent data shows that our pension fund is more than 93% funded, higher than the national average of 75%, and we have been making full payments to the fund. Thank you to the County Board for making this happen.

Some of you questioned the Pension Obligation Bonds (POBs) approved by the County Board in 2009. Today, I can report that we are well on track to reaching our goals. Thanks to market returns of 22% in 2009 and more than 12% in 2010, we are on track to save \$240 million. This was a good financial decision and will yield true savings for the taxpayer. The Board delayed the issuance of POBs

until 2009. Had the Board not pushed for that delay, we would be in a world of hurt after the stock market downturn of 2007. Thanks again to the County Board for avoiding this disaster.

In 2006, I was responsible for launching a private-sector model to lower employee and retiree health care costs. Since the Employee Benefits Division was created under this model, Milwaukee County has saved more than \$130 million in health care costs. This made a significant dent in the County's structural deficit. Once again, the County Board played the key role.

The bottom line is that the County's finances are strong. We are maintaining our A bond rating. Once again, two of the County's three bond rating agencies have indicated that our finances are stable. This is a key factor in lowering our capital costs.

Another major initiative I have undertaken is seeking partnerships with municipalities. As a member of the Intergovernmental Cooperation Council (ICC), I have been exploring ideas that are mutually beneficial to municipalities, such as partnering on employee health care, information technology, and infrastructure needs. For instance, six different municipalities plow snow on 76th Street. That's not the most efficient way to do it. People don't care who plows the street...they just want it plowed.

We're looking at ways to provide these services better, and I'd like to thank the Chairman of the ICC, Franklin Mayor Tom Taylor, for exploring these options with me. It's clear to me that the best way to reduce duplication is to work together. Milwaukee County can achieve efficiencies that individual municipalities may not be able to achieve on their own. Public Works Director Jack Takerian and Information Technology Director Laurie Panella are playing key roles in this process.

Social Services are vital to the quality of life in Milwaukee County. We spent \$200 million on mental health care last year. I am pleased to be here, at the Mental Health Complex, to report to you that major progress is being made to revamp Mental Health.

I have introduced a new initiative to redesign how we provide mental health services. By transitioning to a private-sector model featuring 16-bed community-based facilities, we can lower our costs dramatically, pull in more federal dollars, and provide better care. Today, I ask the County Board to support this pilot program. There is no better time than now to lay the groundwork for this significant change. I thank Supervisor Joe Sanfelippo for agreeing to Chair the New Behavioral Health Facility Study Committee. He is helping me keep an eye on the ball as we seek to build smaller facilities.

I am also excited to announce that today I am appointing a new Mental Health

Administrator, Michael Thomas. Please stand. Michael has 35 years of experience and has agreed to come back to Milwaukee County from New York City. I thank him for taking on this challenge.

The Milwaukee County Transit System is one of the last urban systems in the nation that still relies on local property tax dollars. This is a fragile funding source, and I am not giving up the fight to identify dedicated funding and lower property taxes. While a sales tax solution was approved by 52% of Milwaukee County's voters, it was vetoed by the previous Governor.

Today, I ask Governor Scott Walker to give the voters what they asked for. Give us dedicated funding to lower property taxes and fully fund transit, parks, and EMS.

I am exploring other options, including the possibility of redirecting the rental car fee approved for the now-defunct SERTA (Southeastern Regional Transit Authority), and instead use that revenue to fund our bus system. We must effectively connect workers with jobs. Continued cuts to transit are unacceptable.

We must also continue to invest in our cultural and recreation gems, including the Public Museum, the County Zoo, and the Marcus Center. These are major assets. Last year, Milwaukee County Parks won the Gold Medal for Parks management. Much of this is due to the creativity of Parks Director Sue Black and her team. Thanks, Sue. We'll have to get even more creative to keep on this great path. By brainstorming with local stakeholders, we can get even more ideas to generate revenue for parks.

We need your ideas and suggestions on how we can improve Milwaukee County. That's why I put together a large and diverse Transition Team. A number of those individuals are here today. Please stand and be recognized. Thank you for your service.

This committee of community leaders and stakeholders is active and ambitious. They are dedicated to providing expertise through April 5th and beyond. A number of great ideas have already emerged from these Transition meetings.

Milwaukee County is going through tremendous change this year. Because of these changes, I have taken steps to ensure that we have a steady hand leading this County through the April elections.

Although I have been serving as County Executive since late December, I will continue to advance these ideas whether I am County Executive or Chairman of the Board.

It has been a pleasure to serve as Executive of this great County. I love

Milwaukee County, and I am doing everything I can to collect information and make the best decisions possible. Earlier this week, I appointed Marvin Pratt to serve as Interim County Executive. I do not take this appointment lightly, and that's why I selected someone with extensive experience in public policy, management and local government. I am confident that he will do an excellent job in this capacity. I ask the Board to approve this appointment unanimously on February 3rd.

In the meantime, upon confirmation of this appointment, I will return to my leadership position as Chairman of the County Board. But I will work closely with the Interim County Exec to ensure County government continues to run effectively and efficiently.

As County Executive, I have learned even more about our great County workforce. These unsung heroes do a lot with very little. They perform thankless jobs for modest pay and have made significant sacrifices during the last several years.

Finally, I'd like to talk about seniors and youth. Milwaukee County has more than 150,000 people over age 60. We are nationally recognized as a great place to grow old. The Department on Aging allows seniors to live more independently. 40,000 people enjoyed our terrific Senior Center programs last year. Next week, 16 seniors will graduate from the first-ever Milwaukee County Senior Ambassador Program. Director Stephanie Sue Stein tells me that two more classes will graduate this year. Thanks for all your hard work, Stephanie. We honor our seniors for giving us so much. It is our duty to give back to them.

Many of you know I also have a soft spot for the children of our community. Back in 2003, I founded the Safe Alternatives for Youth program, which has awarded more than a hundred mini-grants to organizations that target young people who are at-risk in our community. The County Board provided \$150,000 in several budgets to make this happen. I thank Dr. Joan Prince from UWM for her leadership in making this a reality. So far, the lives of more than 4,000 children have been touched in a positive way. Milwaukee County should be a place where young people can grow up to raise families and build careers.

As we wrap up this afternoon, I ask all County employees to continue to focus on customer service and making Milwaukee County an outstanding place to live. I envision a Milwaukee County that is prosperous, develops employment opportunities for all people, and provides an unmatched quality of life. With your help, we can reach these goals together.

Thank you all, and God bless.